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For Immediate Release
Tuesday, April 2, 2002

Grassley Seeks Answers on Agencies' Dealings with Enron

WASHINGTON – Sen. Chuck Grassley, ranking member of the Committee on Finance, today asked the Export-Import Bank of the United States and the Overseas Private Investment Corp. for information on whether the Enron Corp. provided accurate information about its financial condition in exchange for agency help. Grassley also asked the Congressional Research Service to research the consequences of a corporation providing incorrect information to these agencies. Earlier, Grassley helped to secure details of the Enron Corp.'s dealings with these agencies, with an eye toward whether the taxpayers would face any liability for Enron-sponsored projects after the company's collapse. Today's letters follow.

April 2, 2002

Mr. Eduardo Aguirre
Vice Chairman
Export-Import Bank of the United States
811 Vermont Avenue, NW
Washington, D.C. 20571

Dear Mr. Aguirre:

I appreciate your response to the January 31, 2002, letter I sent with Chairman Max Baucus highlighting the significant amount of support that the Export-Import Bank of the United States (Ex-Im Bank) provided over the years to the Enron Corp.

One of the underlying concerns of that inquiry was whether the federal government, or related agencies, were misled by Enron in requests for financial support, and, if so, what are the potential consequences. The Overseas Private Investment Corporation (OPIC) has written to the Department of Justice (DoJ) asking DoJ to determine whether Enron misrepresented its financial condition in obtaining loans from OPIC.

I'm very concerned that according to a news report today, Ex-Im has no interest in a similar inquiry because it does not believe it has received any inaccurate information. This is an exceedingly troubling statement. For example, the application for the Accroven SRL Project in Venezuela included the 1998 Enron Annual Report as part of the financial information it provided to Ex-Im.

Enron has already admitted that its financial reports did not accurately portray its financial condition. The Accroven SRL project was approved by Ex-Im and \$134 million dollars in assistance was provided. Enron has a 49.25 percent equity interest in Accroven SRL. I'm troubled by the Ex-Im's seeming lack of interest in this matter, given that Ex-Im is backed by the full faith and credit of the U.S. government, and ultimately the taxpayers.

I'm writing to ask you to revisit this matter and either make a similar inquiry of the Justice Department as was done by OPIC or provide me a detailed response of why Ex-Im believes it received no inaccurate financial information from Enron. Your response should include a copy of all financial information provided by Enron to Ex-Im for each project funded and unfunded and statement as to its accuracy.

Thank you for your time and assistance. Please provide an answer to this letter in ten days. If you have any questions, please contact my staff member Mr. Dean Zerbe at (202) 224-5315.

Sincerely,

Charles E. Grassley, of Iowa
Ranking Member
Senate Committee on Finance

April 2, 2002

Mr. Peter S. Watson
President and CEO
Overseas Private Investment Corporation
1100 New York Avenue, NW
Washington, D.C. 20527

Dear Mr. Watson:

I appreciate your response to the letter I sent to you on January 31, 2002, with Chairman Max Baucus regarding the Overseas Private Investment Corporation (OPIC) and its support of Enron Corp. As you know, your response highlighted significant OPIC support for a variety of Enron overseas actions.

Today I'm writing to ask you to provide me a copy of your February 25 letter to the Department of Justice (DoJ) and a copy of the reply when it is received. In addition, please provide me any supporting documentation that was used in drafting the February 25 letter.

Your letter addresses an important issue. That is whether the federal government, or related agencies, were misled by Enron in requests for financial support and, if so, what are the potential consequences.

Thank you for your time and assistance. Your staff has been very cooperative. If you have

any questions, please contact my staff member Dean Zerbe at (202) 224-5315.

Sincerely,

Charles E. Grassley, of Iowa
Ranking Member
Senate Committee on Finance

April 2, 2002

Director Dan Mulhollan
Congressional Research Service
LM-213
Library of Congress
101 Independence Avenue, SE
Washington, D.C. 20540

Dear Mr. Mulhollan:

I am writing to ask the American Law Division of the Congressional Research Service (CRS) to provide a memorandum on the potential civil and criminal consequences of a corporation providing false information to a government entity.

Specifically, I ask you to research the possible civil and criminal liability of a corporation that provides false, misleading or incorrect information to the Overseas Private Investment Corporation (OPIC) and the Export-Import Bank (Ex-Im) of the United States in an effort to obtain loans from these organizations.

In addition to the civil and criminal liability of a corporation, I ask that CRS research what, if any, possible civil or criminal liability there would be of a responsible officer or director of a corporation that provided false, misleading or incorrect information to OPIC or Ex-Im. If a responsible officer or director could be held civilly or criminally liable, please discuss the legal determination of who would be a responsible officer or director.

Thank you for your time and assistance in this matter. I would appreciate a response within 20 days. If you have any questions, please contact my staff member Dean Zerbe at (202) 224-5315.

Sincerely,

Charles E. Grassley, of Iowa
Ranking Member
Senate Committee on Finance

